

P-528/EM-93-1285 ORDER AUTHORIZING PROVISION OF CLASS SERVICES

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

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Chair
Commissioner
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In the Matter of a Proposal by Splitrock
Cooperative, Inc. to Offer CLASS Services in
Minnesota

ISSUE DATE: July 11, 1994

DOCKET NO. P-528/EM-93-1285

ORDER AUTHORIZING PROVISION OF
CLASS SERVICES

PROCEDURAL HISTORY

On December 14, 1993 Splitrock Telecom Cooperative, Inc. (Splitrock or the Company) filed a proposal to offer CLASS services to its 76 Minnesota customers, who are served by its central office in Garretson, South Dakota. The Company filed a description of the services it planned to offer, a proposed customer education plan, and proposed tariff sheets. The filing was based on the Commission's June 17 and December 3, 1993 Orders authorizing CLASS services and setting conditions on their provision.¹

On May 11, 1994 the Department of Public Service (the Department) filed a report and recommendation, focusing chiefly on recordkeeping, reporting, and customer education issues. The report also pointed out that, contrary to the terms of the June 17 Order, the Company proposed to offer Last Call Return before it had technology in place to prevent the return of calls from blocked numbers.

The Department also noted several inadvertent omissions and ambiguities which the Company agreed to correct in compliance filings. For example, the original tariff filing failed to establish eligibility requirements for business line blocking, procedures for appealing denials of business line blocking, and prohibitions against the sale of data collected through Caller ID or other CLASS services.

The filing came before the Commission on May 31 and June 28, 1994.

¹ In the Matter of a Commission Initiated Investigation into the Provision of Custom Local Area Signaling Services in Minnesota, Docket No. P-999/CI-92-992, ORDER ESTABLISHING CONDITIONS FOR THE PROVISION OF CUSTOM LOCAL AREA SIGNALING SERVICES (June 17, 1993) and ORDER AFTER RECONSIDERATION (December 3, 1993).

FINDINGS AND CONCLUSIONS

I. The Company's Proposal

The Company proposed to offer eight CLASS services:² Caller ID - Number (Calling Number Delivery); Continuous Redial (Automatic Call Back); Last Call Return (Automatic Recall); Priority Call (Distinctive Ringing/Call Waiting); Selective Call Acceptance; Selective Call Rejection; Selective Call Forwarding; and Call Trace (Customer Originated Trace).

The Company planned to provide Anonymous Call Rejection at no charge, as required under the CLASS Orders, in late 1994, when the service becomes available through its software vendor. At that time the Company will also acquire the software to provide different activation codes for per-call blocking and unblocking, also required under the CLASS Orders.

The Company proposed to provide the business and residential blocking options required under the CLASS Orders. (As explained above, the Company agreed to develop eligibility criteria for business blocking and will file them with the compliance filings required under this Order.)

The Company proposed to limit CLASS services to calls originating and terminating within the Garretson exchange; none of the Company's connections with other carriers, such as long distance and EAS connections, would carry CLASS information.

II. Commission Action

The Commission finds the Company's proposal in substantial compliance with the June 17 and December 3 Orders. The Commission will modify the proposal to bring it into full compliance and will set filing and reporting requirements to aid regulatory review.

III. Last Call Return Not Authorized

Last Call Return allows a called party to call the originating number of the last unanswered call by dialing a standard code. If the originating number is busy, Last Call Return software will keep trying to return the call for 30 minutes. Last Call Return also typically gives the called party the originating number of the last unanswered call.

Splitrock's CLASS software does not reveal the originating number of the last unanswered call if the caller was using blocking. The software does, however, transmit the originating number for purposes of allowing the called party to return the call. This violates the June 17 Order's prohibition against transmitting blocked numbers.

The Commission will prohibit the Company from offering Last Call Return until it has technology in place to prevent the feature from returning blocked calls.

IV. Call Trace Rates

The Company proposed Call Trace rates of \$4.00 per "successful trace." The Company defined "successful trace" as the act of forwarding to law enforcement authorities the originating number(s) of all harassing calls traced by a customer during a 72 hour period.

Call Trace rate design raises serious issues. Allocating costs that benefit both individual

² These services are identified first by the names the Commission has used for them in earlier Orders and second by the names the Company used in its filing and promotional materials.

customers and the network or public as a whole is always difficult.

On the one hand, providing Call Trace imposes significant costs on the system which have to be borne by someone; Call Trace users are logical candidates. At the same time, some Call Trace users are clearly and simply victims of crime, and it is anomalous to require crime victims to bear the costs of apprehending perpetrators. Finally, it is contrary to the public interest for Call Trace rates to be high enough to discourage customers from asserting their right to protection from harassing or obscene telephone calls. The Commission must balance all these considerations.

The Commission will reduce the Call Trace charge from \$4.00 to \$1.00, believing this results in a more equitable and workable allocation of costs between Call Trace users and network users as a whole. The Commission will continue to explore the issue of Call Trace rate design and will monitor the practical effect of this and other rate designs through the annual reporting required of all companies offering CLASS services.

Finally, to avoid customer confusion, the Commission will require the Company to clarify in its tariffs and educational and promotional materials how Call Trace works and how it is priced.

V. Customer Education Materials and New Tariffs Required

A. Customer Education

As the Commission emphasized in the June 17 and December 3 Orders, public understanding of CLASS services is essential if they are to achieve their potential for giving customers more control over how the telephone affects their lives. Public education programs therefore play a major role when companies introduce CLASS services.

For the most part the educational materials filed by the Company are clear, accurate, and complete. The final customer education mailing should contain the items listed in the Department's report and should be approved by Commission staff before mailing. (The Company may of course choose Commission review over staff review; staff review is offered as a means to expedite implementation of the service.)

B. Tariff Provisions

The Company will be required to file revised tariff pages to reflect modifications to its proposal made in this Order and to clarify portions of its earlier filing. In brief, the revisions will delete references to Last Call Return, reduce Call Trace rates from \$4.00 to \$1.00, and set conditions for determining need for line blocking by business customers.

The revisions will also contain the clarifications listed in the Department's report.

VI. Reporting Requirements

In its June 17 and December 3 Orders the Commission established detailed annual reporting requirements for companies offering CLASS services. The Commission also required an annual report from the Department, which is to include the Department's assessment of public acceptance of CLASS services and its recommendations on how CLASS services should be structured in the future.

The Commission continues to believe regulatory monitoring and oversight are necessary to ensure that this new technology is deployed to serve the public interest. The Commission will therefore require the following additional reports from the Company.

First, the Company will be required to give at least 60 days' notice before making any changes to its CLASS service offering or offering any CLASS service in conjunction with any other telephone company or telecommunications carrier.

Second, to help the Commission evaluate the performance of CLASS services and make informed decisions on what shape they should take in the future, the Company will be required to maintain clear records on customer complaints. Copies of these complaints will be furnished to the Department upon request and summaries will be filed with the Company's annual CLASS report.

Finally, the Company will be required to work closely with the Department in providing any information the Department needs to fulfill its annual reporting responsibilities.

ORDER

1. The Company's proposal to offer CLASS services is approved, as modified herein.
2. The Company shall not offer Last Call Return until it has technology in place to prevent the return of calls for which the caller has used per-line or per-call blocking.
3. The Company shall reduce its rate for Call Trace from \$4.00 to \$1.00 per "successful trace," as defined above.

4. Within ten days of the date of this Order the Company shall file tariffs establishing criteria for granting per-line blocking to business customers and procedures for appealing denials of per-line business blocking to the Commission.
5. Within ten days of the date of this Order the Company shall file revised tariffs reflecting the modifications to its proposal made in this Order and the clarifications recommended in the Department's report.
6. The Company shall serve copies of its proposed final customer education materials on the Department and the Residential Utilities Division of the Office of the Attorney General.
7. The Company shall not offer any CLASS service until its filed tariffs and customer education materials have been approved by the Commission or Commission staff. Its customer education materials shall include, but shall not necessarily be limited to, the items listed in the Department's report.
8. The Company shall notify the Commission and the Department at least 60 days in advance of any plan to make any change in its CLASS services or to provide any CLASS service or SS7 technology in conjunction with any other telephone company or telecommunications carrier.
9. The Company shall keep clear and accurate records of all complaints filed in regard to CLASS services. The Company shall provide copies of such complaints to the Department upon request and shall file summaries of such complaints with its annual CLASS report.
10. The Company shall work closely with the Department in providing any information the Department considers necessary to prepare its annual reports on CLASS services.
11. The Company shall file for review and approval by the Commission or its staff all future educational materials on CLASS services.
12. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Burl W. Haar
Executive Secretary

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